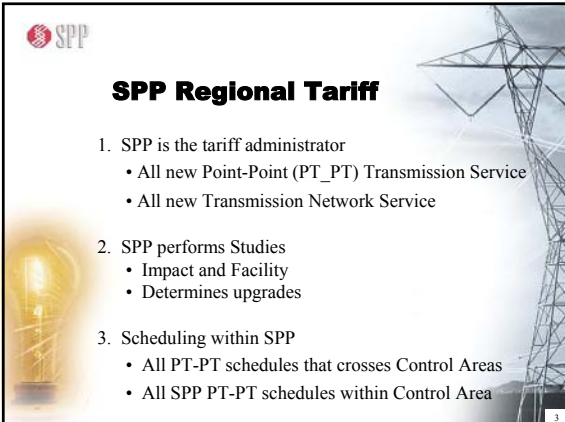


Transmission Outline

1. SPP Transmission Tariff
2. SPP Generation Interconnection
3. SPP Reliability Coordinator
4. SPP RTO
5. SPP Regional Planning Process

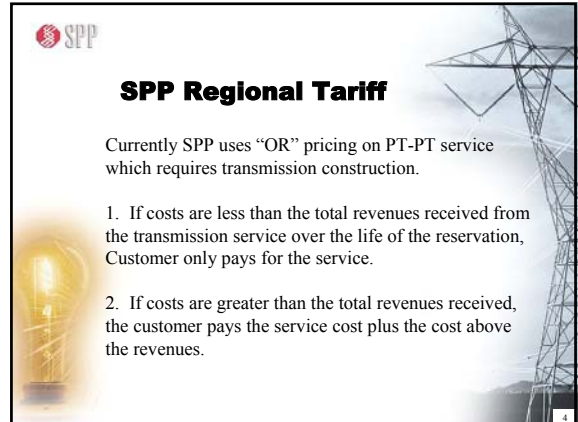
2



SPP Regional Tariff

1. SPP is the tariff administrator
 - All new Point-Point (PT_PT) Transmission Service
 - All new Transmission Network Service
2. SPP performs Studies
 - Impact and Facility
 - Determines upgrades
3. Scheduling within SPP
 - All PT-PT schedules that crosses Control Areas
 - All SPP PT-PT schedules within Control Area

3

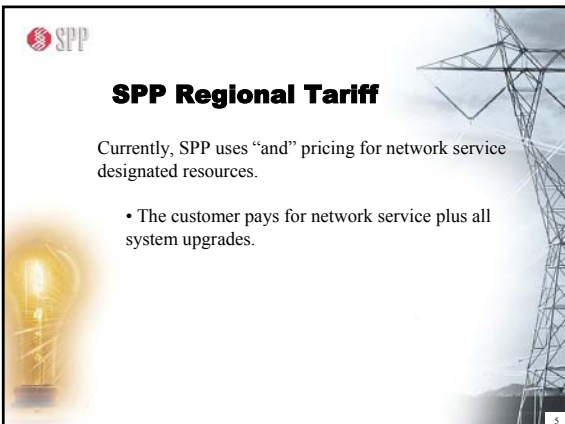


SPP Regional Tariff

Currently SPP uses “OR” pricing on PT-PT service which requires transmission construction.

1. If costs are less than the total revenues received from the transmission service over the life of the reservation, Customer only pays for the service.
2. If costs are greater than the total revenues received, the customer pays the service cost plus the cost above the revenues.

4

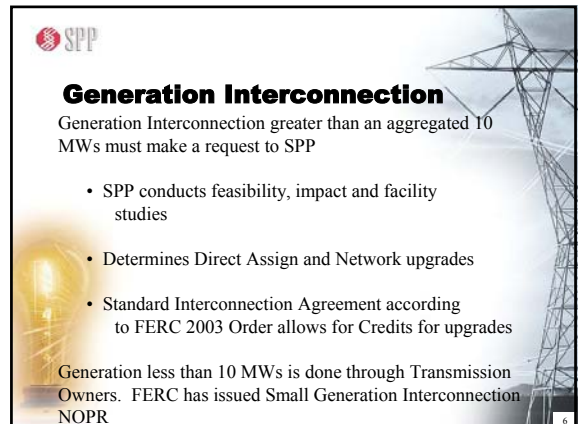


SPP Regional Tariff

Currently, SPP uses “and” pricing for network service designated resources.

- The customer pays for network service plus all system upgrades.

5



Generation Interconnection

Generation Interconnection greater than an aggregated 10 MWs must make a request to SPP

- SPP conducts feasibility, impact and facility studies
- Determines Direct Assign and Network upgrades
- Standard Interconnection Agreement according to FERC 2003 Order allows for Credits for upgrades

Generation less than 10 MWs is done through Transmission Owners. FERC has issued Small Generation Interconnection NOPR

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Generation Interconnection

FERC 2003 order requires the Transmission Provider (TP) to credit Customer for network Upgrades.

- Applied against transmission service until the credits are totally refunded.
- TP must pay the balance of credits to the customer within 5 years of commercial operations.

FERC has been asked to reconsider the 5 year requirement.

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Regional Reliability

1. SPP is the Regional Reliability Coordinator
 - Responsible for Overall Regional Reliability
 - Monitors SPP Flowgates
2. SPP Reacts to regional and Interconnection Problems
 - Responsible for administering NERC Transmission Loading Relief (TLR) for the Region
 - Responsible for Responding to outside interconnection TLR
3. SPP can order redispatch and loadsheds for interconnection reliability. SPP Coordinates Region Blackstart Plan.

8



RTO Requirement

1. RTO must administer a Regional Tariff
 - For SPP, essentially the same as today
 - Allowances for Independent Transmission Companies (ITCs)
2. RTO must develop and administer a Regional Energy Market. SPP plans to phase in Market.
 - Energy Imbalance market; end of 2004
 - Financial Transmission Rights Market; end of 2005
 - Ancillary Market; end of 2006

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SPP Regional Planning

SPP is developing a Regional Planning Process

- Benefits all customers in region
- Minimizes constraints in the system
- Encourages Participant funding
- Allows for transmission Construction by others

SPP is presenting a workshop on this process in KC on November 17.

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